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SUBJECT: Botswana Merits Inclusion in Food Security Initiative

¶1. Botswana is Africa's most stable democracy and our closest, most reliable friend in southern Africa. Though Botswana is a middle-income country, according to the UNDP about half of its citizens still live on less than two dollars per day. According to the United Nations Food and Agricultural Organization's 2009 report, over a quarter of Botswana's citizens lack food security. Botswana is one of the southern African nations most affected by hunger; the FAO puts it in "Category 4" for food security, along with Malawi, Kenya, Congo, Senegal and Sudan. While Botswana receives little "traditional" donor assistance, it invests its own money productively and is a star performer when using USG public health funds. Botswana offers the Food Security Initiative the likelihood of early success.

¶2. The GOB is committed to diversifying Botswana's economy (currently dependent on minerals and tourism), and President Khama has emphasized agricultural development as an important tool for poverty reduction and economic growth -- most recently in his November 13 "State of the Nation" address. In several recent high-level meetings with U.S. officials, the GOB has asked for our assistance with agriculture and food security. Embassy Gaborone strongly supports this request. We note that Botswana's investments in infrastructure, health, and education and its low corruption rate mean that even modest U.S. investments in Botswana would go far and have a real and lasting impact on poverty reduction. In addition, support for Botswana would be an example of the USG "rewarding success" in a visible and concrete fashion.

GOB Agriculture Plans, Programs

¶3. The GOB's overall strategy for agriculture and food security is described in its 2002 "National Master Plan in Arable Agriculture and Dairy Development." The plan sets goals through 2012 to improve food security at both household and national levels, diversify agricultural production, increase crop yields and farm productivity, increase employment opportunities, and conserve scarce agricultural/land resources for future generations. The GOB has demonstrated its commitment to agricultural development and food security through numerous ongoing programs, including:

--ISPAAD: In June 2008, the GOB began its "Integrated Support Program for Arable Agriculture Development" (ISPAAD) to encourage farming in arable regions and extend agriculture into shoulder regions. Through ISPAAD, the government supports farmers by improving access to seeds, fertilizer, and credit, establishing agricultural extension centers, and assisting with fencing and mechanized plowing. To date, the GOB has invested 136 million pula (19 million USD) on ISPAAD. Over 587,092 acres of land have been planted under ISPAAD, and 78,000 farmers have been issued with seeds, totaling 2,227 tons. A yield of over 103,000 tons of cereal is expected this year.

--Zambezi Agro-commercial Integrated Development Project: The GOB plans to use this program to develop large-scale commercial farming

in northeast Botswana. Potential activities include aquaculture, poultry and dairy farming, food oil production, and fruit and vegetable processing. To support this activity, the GOB is improving its water infrastructure in the region, including dam projects and a 580 kilometer pipeline extension that will aid with irrigation.

--Young Farmers Fund: Though the parastatal Citizens Q--Young Farmers Fund: Though the parastatal Citizens Entrepreneurial Development Agency (CEDA), the GOB has created a "Young Farmers Fund," which provides subsidized loans and entrepreneurial training. To date, 251 projects have been funded totaling more than 97 million pula (14.47 million USD).

-- Livestock Management and Infrastructure Development Project (LMID): The LMID project supports production of poultry, guinea fowl, and small stock (sheep and goats) through breeding and feeding programs, improved access to well water, and development of cooperative abattoirs. The program is expected to improve food safety/hygiene and increase rural food security.

--Foot and Mouth Disease: The GOB has invested more than 50 million pula (7.5 million USD) to combat foot and mouth disease, which is often introduced from neighboring countries like Zimbabwe. To protect its vital cattle industry, the GOB has constructed veterinary fences and instituted checkpoints at strategic locations along major transport corridors. In order to adequately contain the disease, the GOB called upon resources from the military and other ministries to help monitor and restrict movement of meat/animals.

GOB Funding for Agriculture/Rural Development

14. Botswana's overall budget for fiscal year 2009/10 is 37.92 billion pula (5.66 billion dollars). The government divides its spending into two categories: the recurrent budget, which includes routine funding for staff, overheads, and ongoing programs, and the development budget, which is funding for specific and usually medium term projects or activities. The Ministry of Agriculture received 913.1 million pula (136.28 million USD) in the recurrent budget and 464.8 million pula (69.37 million USD) in the development budget. Programs administered by other Ministries also have a major impact on agriculture and rural development. The Ministry of Local Government is investing 362.9 million pula (54.16 million USD) on village infrastructure, water and sewer projects, while the Ministry of Minerals, Energy, and Water Resources will spend 725.98 million pula (108.36 million USD) on major rural water projects (including dams, pipelines and sanitation projects). These projects will strengthen rural infrastructure, not only improving the lives of rural dwellers (many of whom rely on subsistence agriculture) but also increasing access to irrigation in this semi-arid country.

15. We estimate that the Government of Botswana will spend approximately 6.76 percent of its overall 2009/10 budget on agricultural programs, including projects administered by both the Ministry of Agriculture and other ministries/parastatals. This calculation does not/not include other vital GOB spending on infrastructure (roads and transport corridors, vocational training centers, abattoirs) nor does it include the tremendous GOB response to the AIDS epidemic and overall health spending. We would note that the GOB spends 1.58 billion pula (235.82 million USD) on the health sector, 838.8 million pula (125 million USD) of which is exclusively for HIV/AIDS. This large investment in public health enables Botswana to maintain a productive labor force despite one of the world's highest HIV infection rates.

Comment/Action Request

16. Comment: Embassy Gaborone suggests that Botswana merits inclusion in the Food Security Initiative. Botswana has requested our help, and their need is real. Unlike many other developing countries, Botswana receives little "traditional" donor assistance, but the country spends its own resources well, investing in health, infrastructure, education, agriculture, and other public goods. Our experience with PEPFAR demonstrates that Botswana will be a true partner, more than matching any USG assistance with its own efforts and resources, and will use our aid effectively. The Administration has noted publicly that we must reward successes in Africa. We have the opportunity in Botswana to "reward" a true partner with agricultural assistance that literally could be a game-changer for a

country anxious to diversify from its heavy dependence on diamonds, estimated to run out in about 15 years. This "reward" will not only demonstrate our support for Botswana's political and economic policies, but will also help improve the lives of up to one million Batswana who remain poor and hungry in this "middle income" country.

End comment.

HAMILTON